

Arkansas Burial Association Board  
Board Meeting

MINUTES

Wednesday, April 23, 2014 11 a.m.  
101 East Capitol, Conference Room C  
Little Rock, AR

Chairman Normal Gilchrest called the meeting to order. Members present were: Vice Chairman Steve Ballard, Scott Berna, Chuck Dearman, Haylee Harris-Hill, Sammie Turner James, and newest member Barbara Hovarter. Members absent were: Melanie Heath Posey and R. W. Ocker. Staff that were present: Amy Goode, Executive Secretary, Bob Brooke, Auditor, and Katina Hodge, Board Counsel.

1. ***Introduction of the Board***

2. ***Administrative***

- a. Motion made by Dearman to approve the March 26, 2014 minutes as written and distributed, seconded by Berna, all in favor. Motion carried.
- b. Motion made by Dearman to approve the March 2014 DF&A financial documents and trial balances as distributed, seconded by Berna, all in favor. Motion carried.

3. ***Board Discussion***

- a. **Office Space Remodel** – Executive Secretary explained that the Embalmers & Funeral Directors Board whom we also share office space with is hiring a new employee that will be working out the office. This will require the current office space we have to be remodeled to accommodate a new office. Arkansas Building Authority has given the Board three plans to choose from. The least expensive of those plans is to agree to increase to the new rate per square feet. Currently if we changed nothing our rent would not increase until July 1, 2015 which would be fiscal year 2016. Allowing this remodel now would only result in approximately \$177 more per year per Board increase. Motion made by Berna, to approve the office space remodel, seconded by Harris, all in favor. Motion carried.
- b. **Joe Todd – South Arkansas Burial Association** – Mr. Todd is requesting the Board to reconsider paying the Fordyce location for 443 claims and to consider them outside claims. Mr. Todd claims it is a separate location that is incorporated separately from his Magnolia location. Executive Secretary has enclosed a copy of the Articles of Incorporation and the Embalmers and Funeral Directors Board does list Mr. Charles Benford as owner of the Fordyce location. The Executive Secretary is currently overseeing the payments of all claims due to a hearing in November 2011. Mr. Todd was paying 443 claims to his contract funeral home; when he didn't have sufficient reserves to do so and had been asked on more than one occasion to stop. Mr. Todd explained the history of the Magnolia and Fordyce location. The Marks Family opened Marks Funeral Home in Magnolia in 1948 and on February 29, 1949 they were issued a permit for South Arkansas Burial Association. In 1960 the Marks Family and Lester Benford opened the Fordyce location. The three agreed that the Fordyce location would only serve as a collection location for the association. In 1974 Marks Funeral Home was incorporated and in 1980 Marks Funeral Home in Fordyce became incorporated as Marks Funeral Home-Fordyce, Inc. The Marks and Lester Benford have since passed away. The Fordyce location is being operated by Charles Benford Lester's son and he is the CFO for Marks Funeral Home in Fordyce. Mr. Todd has no say in the operations of the Fordyce location. Benford is not an officer of the association. We are allowing 443 claims to be paid to outside funeral homes, but we are currently charging off at the Magnolia

and Fordyce location. Mr. Todd is asking that the Fordyce location be considered an outside location. Berna inquired why the distinction was not made in 2011. The Board at the time never considered the distinction and it was not objected. Mr. Brooke stated that now he sees the distinction and that Fordyce should be considered outside the service area. Mr. Todd stated he did appeal the decision prior to 2011, but was denied. Mr. Benford is pushing to appeal the decision now. Board Counsel stated that the rules define contract funeral home as one location. Notwithstanding ownership Fordyce is not the contract funeral home. Motion made by Ballard to pay Fordyce location 443 claims from this date forward, seconded by Berna, all in favor. Motion carried. For the record the Arkansas Burial Association Board will continue to monitor and pay the claims until sufficient reserves are met.

- c. **Church Burial Association Update** – Executive Secretary stated that Shannon Strickland requests permission to be named secretary-treasurer. The original order was that Mr. Strickland would be interim secretary-treasurer for six months. Mr. Strickland was informed it was his responsibility to come back to the Board. They have submitted bi-weekly deposits on a fairly regular basis. On occasion the Executive Secretary has had to remind Mr. Strickland of his duties as secretary-treasurer. He was not able to submit the December 2013 semi-annual report correctly which resulted in the auditor having to correct report and perform their annual audit. There were additional items found that had not been deposited and instructions were left. Staff recommendation is to revisit at a minimum following receipt of a correct June 2014 report. First Guaranty Insurance Company has also filed a complaint with Arkansas Insurance Department about a similar issue to that of this Board. Motion made by Berna to keep Shannon Strickland on Interim Secretary-Treasurer for a minimum of an additional six (6) months, seconded by James, all in favor. Motion carried.
- d. **Citizens Burial Association** – Ms. Johnson filed their December 2013 semi-annual report four (4) days late, which resulted in a late penalty fee of \$400.00. Ms. Johnson wrote the Board asking they waive the late penalty fee since she had never been late in the past. Board counsel pointed out that our enabling statute allows for the extension of time, but it does not allow a waiver of the fee. Motion made by Ballard to deny the request for a waiver of the \$400 late penalty fee, seconded by Berna, all in favor. Motion carried.
- e. **Cabot Burial Association** – Mr. Harris filed their December 2013 semi-annual report four (4) days late, which resulted in a late penalty fee of \$400.00. Mr. Harris also manages another burial association and that report was received on time. Mr. Harris stated they were both mailed the same day. Based on the previous discussion, the Board denied the request. Motion made by Berna to deny the request for a waiver of the \$400 late penalty fee, seconded by Dearman, all in favor. Motion carried.
- f. **Rule Committee Update** – Ballard stated that he made a recommendation to schedule an additional committee meeting to finalize the draft and give the Board ample time to review it prior to our next regular Board meeting. The committee hopes that the Board will be able to vote on the draft submitted on July 23, 2014.

#### **4. Election of Officers**

Mr. Gilchrest stated that he has enjoyed serving as Board Chair, but at this time he will have to step down from this commitment.

Nominations for Chair – Chuck Dearman, Steve Ballard, and Scott Berna

Motion made by Berna that nominations cease, seconded by James, all in favor. Motion carried.

Motion made by Berna to elect Steve Ballard as Chair, seconded by James all in favor. Motion carried.

Nominations for Vice-Chair – Haylee Harris-Hill

Motion made by Ballard that nominations cease, seconded by James, all in favor. Motion carried.

5. **Auditor Update**

- a. **Hardwicke Burial Association** – Secretary-Treasurer Kathleen Nichols passed away on December 25, 2013 and they have closed the funeral home. It did remain open to collect premiums for their association and prepaid contracts. Funeral Home has recently been purchased and will be inspected by the Embalmers Board Inspector. A final audit was done and they have had an election of new officers. Everything was falling into place with the new owners taking over the association.

- 6. **Board Stipends** – Executive Secretary stated that A. C. A. 25-16-903 allows for a max of \$60 reimbursement per member for official board business. The amount has been set at \$50, since at least 1998 when I started with the Board. It's my understanding the Board voted to pay this amount. Executive Secretary explained that the Board could consider raising that amount to the max. The Board decided to not increase the stipend.

7. **Meeting dates:**

- a. Motion made by Hovarter to accept the approval of the quarterly meetings and to continue start at 11 am, seconded by Harris, all in favor. Motion carried. The following meetings have been scheduled for the remainder of the calendar year: July, 23 2014, October 22, 2014 and December 2, 2014.

8. **Adjournment**

Motion made by Berna to adjourn to meeting, seconded by Ballard, all in favor. Motion carried.

ATTEST:

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